

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

QUESTIONS—ANSWERS

1943 CROP INSURANCE

1 What is crop insurance?

It is all-risk protection against losses in wheat yields caused by unavoidable hazards.

2 What are unavoidable hazards?

Such hazards as drought, insects, plant disease, wind, storm, fire, tornado, flood, winterkill, hail, and similar causes of loss.

3 Who administers crop insurance?

The Federal Crop Insurance Corporation, an agency of the United States Department of Agriculture, is responsible for the conduct of the crop insurance program. State and county committees of the Agricultural Adjustment Administration perform the field work essential to the administration of the program.

4 Who can insure a wheat crop?

Any tenant or landowner who has an interest in a wheat crop.

5 Is crop insurance compulsory?

No, insurance is voluntary.

6 Where can crop insurance be obtained?

From the county AAA committee.

7 How much coverage can a farmer get?

He can insure his crop for either 50 percent or 75 percent of his average yield.

8 How much will all-risk insurance cost?

The cost varies from farm to farm. Premiums are based on past crop losses.

9 Are all the farms in a county in which a farmer has an interest in the wheat crop insured under one contract?

Yes.

10 How does a farmer obtain crop insurance?

By signing a contract for wheat crop insurance.

11 How long is this contract in effect?

All contracts cover a 3-year period. No wheat crop insurance contract is written for a 1-year period.

12 Can this contract be canceled?

The insured may cancel the contract for the third year upon written notification to his county AAA committee on or before the final day for submitting new contracts in the second year of the 3-year period.

13 When is the insurance contract in effect?

Immediately upon planting. Insurance is not operative in any year a crop is not planted but the contract remains in force for the 3-year period.

14 If a farmer buys or rents another or a different farm in the county during the contract period, is it automatically insured under his contract?

Any wheat crop seeded by or for him on such farm after the contract is signed automatically is insured for the remainder of the contract period.

15 May a grower apply for a new contract any time during the life of the original contract?

Yields and rates will remain the same throughout the period of the contract. A farmer may, however, execute a new 3-year contract on the basis of the new yields and rates established for any year after the first if he believes it to his advantage to do so. Such a new contract will be effective only after insurance on the current crop has expired.

16 How are premiums payable?

By means of a commodity note, which is a part of the insurance contract.

17 Does a commodity note bear interest?

No.

18 Must the premium for all 3 years of the contract period be paid at once?

No. The total premium is payable in annual installments on the basis of each crop year.

19 What is the due date of installment payment on a commodity note?

It is the annual date set by the Corporation when the premium installment for that crop year becomes due. This date will vary by States but generally it is about harvest time.

20 How does a farmer pay such a note?

The insured may pay the annual installment on the note either in wheat or the cash equivalent, on or before the date of maturity. If the installment is not paid when due, it is payable only in the cash equivalent as of the due date and may be deducted from (1) the amount of the indemnity, if any; (2) any government payment due the farmer for cooperating in the national farm program; or (3) from the proceeds of any commodity loan the farmer may obtain under any loan program administered by the Secretary of Agriculture.

21 How is the cash equivalent of a commodity note figured?

The number of bushels of wheat represented by the note is multiplied by the price of wheat established by the Corporation for the area on the day of maturity or on the date the installment is paid, whichever is earlier.

22 How are indemnities paid?

With a certificate of indemnity, which is payable by cash or by other optional methods as established by the Corporation.

23 May loans be obtained on certificates of indemnity?

Yes. Under the new program, if loans are made available, insured growers will be able to get loans through the Commodity Credit Corporation.

24 If the interest in an insured wheat crop is transferred and a loss occurs, who collects the indemnity?

The person or persons having the interest in the wheat crop at the time of loss.

25 How does the Corporation determine the time of loss?

By the completion of threshing or termination of the insurance period, whichever is first. If a total or substantially total destruction occurred earlier, the date of loss shall be determined by the Corporation. If the crop was not threshed, but was combined, field-sacked, and remaining in the field, the loss shall be deemed to have occurred 120 hours thereafter or the termination of the insurance period, whichever is first.

26 What is the latest date a farmer can apply for insurance?

Applications can be made any time on or before the closing dates established by the Corporation for the first crop year to be covered by the insurance contract.

27 What are the 1943 closing dates?

The closing dates shall be the earlier of (1) the date of the beginning of the seeding of the wheat crop, of (2) for winter wheat August 31, for Arizona, Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Wisconsin, Wyoming; September 15, for Delaware, Kentucky, Maryland, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia; September 30, for California, Idaho, Nevada, Oregon, Utah, Washington, or (3) for spring wheat March 15. If any of these dates falls on Sunday or a legal holiday, the next succeeding business day shall apply.

